

Memorandum

To : The Conservancy
The Advisory Committee

Date : September 27, 2004

From : 
Joseph T. Edmiston, FAICP, Executive Director

Subject: **Agenda Item 16: Consideration of resolution adopting procedures pursuant to Provision 4 of Items 3810-310-0005, 3810-301-0941, 3810-301-6029, and 3810-301-6031 of Section 2 of the Budget Act of 2004 (Chapter 208, Statutes of 2004).**

Staff Recommendation: That the Conservancy adopt procedures pursuant to Provision 4 of Items 3810-310-0005, 3810-301-0941, 3810-301-6029, and 3810-301-6031 of Section 2 of the Budget Act of 2004 (Chapter 208, Statutes of 2004).

Legislative Authority: Section 33211 (c) of the Public Resources Code.

Background: Pursuant to Section 4 of the Santa Monica Mountains Conservancy (Conservancy) Budget Control Language of 2004, the Conservancy is required to develop and implement procedures by January 1, 2005 that assure for the separation of functions with respect to fiscal operations of joint powers authorities.

The Santa Monica Mountains Conservancy shall develop and implement procedures in response to the Final Management Letter from the Department of Finance, dated May 4, 2004, that assure the separation of functions with respect to fiscal operations of joint powers authorities. These procedures shall include procedures whereby all financial transactions of the joint powers authority are supervised by officers and employees who are separate from the conservancy and do not report to any officers or employees of the conservancy in any capacity. The conservancy shall provide a report on those procedures and their implementation to the chairpersons of the fiscal committees and appropriate subcommittees of each house of the Legislature by January 1, 2005. For the purposes of this provision, "fiscal operations" and "financial transactions" refer to any and all activities involving the receipt, tracking, and paying out of moneys, including, but not limited to, accounting, auditing, payroll, and contract disbursement activities.

Please refer to the Draft Mountains Recreation and Conservation Authority Proposed Organizational Changes attached as Exhibit A.

